

30 JUNE 2010

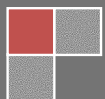
# EMNAMBITHI-LADYSMITH MUNICIPALITY

Vision : 2021 Emnambithi-Ladysmith will be KZN's Vibrant Industrial, Commercial, Trade and Tourism inter-link, where all residents enjoy a prosperous, Caring, Safe and Secure Environment which Promotes Cultural Diversity.



## ANNUAL REPORT

ELM : COUNCIL  
15-12-2010





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## CHAPTER 01

### 1.1 MAYOR'S FOREWORD

It is with great pleasure that I present the 2009-2010 Annual Report of the Emnambithi-Ladysmith Municipality. Indeed, it is the last Annual Report tabled before the end of council's current term of office. The 2009-2010 financial year was one of the highlights in terms of performance since we took office in 2006. The term has culminated in major strides in the number of developments which are crystal in the improved lives of our people.

Since the commencement of our term of office in 2006, we have endured both challenges and successes in the implementation of major rural and urban capital projects. Projects such as road construction, including 2km of gravel roads in all rural wards per year, building of both vehicle bridges as well as vehicular crosses, High Mast Lighting, Housing, recreational facilities, Community Halls and Good Governance. In spite of the Global Economic meltdown experienced in most parts of our term in office since 2006, the impact has been minimal given our revenue management and enhancement did not have a major impact on projects being successfully completed. These sterling performances are attributable to the excellent leadership and vision of our Municipal Manager and his Staff.

Financial Performance Highlights:

- The provision of high mast lighting in the rural areas
- Construction of access roads, vehicular bridges and community halls in the rural areas
- Construction of tarred roads and storm water drainage system in the township areas
- Provision of electricity to rural households and strengthening of the electricity grid in the urban areas
- The securing of funds to reconstruct emergency, rectification and storm damage houses a total of more than 6000 units
- The beautification of our town entrance entrances and the Wimpy Park to the value of R15 000 000
- The rehabilitation of urban roads in the CBD to the value of R8.9 000 000

Our allocation of the capital budget was drawn from priorities that were identified during the IDP the community consultation processes. A total of R102.60 million was allocated to the capital budget; total budget to replace old vehicle stock to the value of R12 390 000. Allocations for the tarring of township roads was completed during the 1<sup>st</sup> phase of the project.

The allocation of R14 million to the Small Town Rehabilitation program was one of our prime performance highlights. The funding received from the Department of Cooperative Governance and Traditional Affairs was mainly utilized for the construction of Wimpy Park, Pedestrian Paving in the CBD, Beautification of Town entrances and the construction of a Taxi Rank in Lyell Street.



Free basic services and indigent applications were allocated to households with a land and building value of R70 000 and less. Households whose income is less than two times the state pension per month is by application indigent. Pensioners above the age of 60 years with a gross income of less than R7500 and less will receive a discount of 20% in rates, medically boarded and disabled individuals will receive further rates discounts only by application.

In conclusion, I would like to thank the Almighty God, who has been a pillar of strength in our lives, during the hard times and the joy we had experienced in building better lives for our people. Since the time we have been voted into office, in 2006, I, would like extend my sincere honour and gratitude for the sterling performance by our Exco members, Councillors, Municipal Manager and staff members. I further, take this opportunity to welcome the recently appointed Executive Managers and wish all the best in their stay in our municipality. To the Deputy Mayor, the Speaker and councillors lets continue to cherish the values of Ubuntu and together we can do more.

I thank you,

**Ms D. C. P Mazibuko**  
**Mayor**



## 1.2 MESSAGE BY THE MUNICIPAL MANAGER

Service Delivery and Good Governance are the cornerstone of our staff member's own convictions. The conviction that this capacity, which is demonstrated by the ability of the individuals, institutions and societies in solving their problems, in making informed choices, defining priorities and planning our future accordingly. But strong capacity cannot be achieved overnight. Since 2006 the path to grow capacity has made our municipality distinct from other Municipalities of similar grading. It is with this in mind that we review the past year and the year 2009/2010 report.

The 2006-2010 period has been one of the most successful periods, with regard to the extension of services to rural areas. This include roads, high mast lights, bridges, halls and recreational facilities. The provision of services; as informed by the Integrated Development Plans (IDP), the provision of adequate budget provision and proper planning through Service Delivery Budgeting Plans.

To meet the challenges of our community, we have been able to continue to build the capacity of our staff, through various training provided by the University of Witwatersrand and the University of Pretoria. This has provided impetus in building capacity in finance, policy and good governance.

The capacity in the Mayoral Office was improved by the establishment of a Youth Desk, Women, Children and Disability desk; as well as a Sport desk. The establishment of the desks are set to respond to the culminating needs of the community. The dissolution of Umsobomvu has created a void which is still to be filled by the newly established National Youth Development Agency (NYDA). Youth unemployment remained one of the biggest challenges facing our society at large. The creation of a skilling fund will assist in providing opportunities to deserving students to achieve their educational objectives.

We have achieved milestones in financial management and service delivery. Historical debt and revenue generation still remain low with township areas, especially at Ezakheni. The establishment of a Legal desk has enable the collection of historical debt far above R10 million during the past two years. The continued focus in strategies to maximise revenue collection remain part of our weekly agenda.

The recent funding of rural housing, a mayoral initiative has given a boost to expand the construction of decent houses extended to rural areas. The demand for housing across the spectrum has created a need to improve capacity in the housing section.

Plans for the development of our Municipality as a vibrant town are in an advanced stage. The proposed commercial development at the Helpmekaar Road at Limit Hill would certainly impact on the development of our Municipality. The municipality continues to support development drives which are aimed at creating business and employment opportunities. The drive is also aimed at ensuring that business already in town expands and creates more opportunities for employment.

It is with great pleasure that I take this opportunity to thank the honourable Mayor, Deputy Mayor, the Speaker and councillors for their unwavering support. The support from the Head of Departments, the staff members and the community has been resounding and is highly cherished.

**I thank You,**

**Mr. N.J Mdakane**  
**Municipal Manager.**

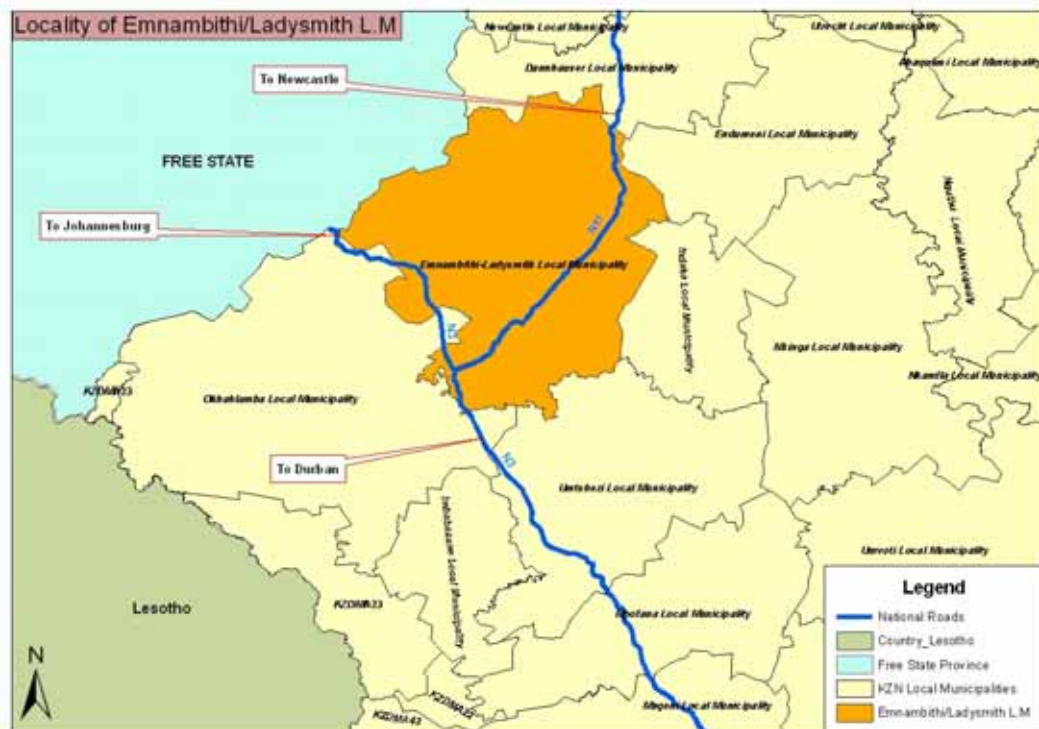


### 1.3 OVERVIEW OF THE MUNICIPALITY

The Emnambithi/Ladysmith Municipality established on 5 December 2000 comprises an area of approximately 3000 km<sup>2</sup> and falls within the Uthukela District Municipality.

Ladysmith is the main administration and business centre of the Municipality, and is located just off the N3, 3 ½ hours south east of Johannesburg and 2 ½ hours north west of Durban.

The population and demographic profile information is provided under General Information in Chapter 5 on page 16 of this report. The demographic information is drawn from the 2001 Census figures compiled by Statistics South Africa.





## **1.3 EXECUTIVE SUMMARY**

### **PURPOSE STATEMENT**

*"The purpose of the Emnambithi/Ladysmith Municipality is to provide a well serviced, safe, healthy and economically viable environment that enables all residents to take action so that all communities enjoy a high quality of life"*

This purpose statement has formed an integral part of all activities undertaken within the Municipality. All major programmes and priority projects are aligned to the purpose statement.

### **VISION**

*"By 2021, Emnambithi/Ladysmith will be KZN's vibrant, industrial, commercial, trade and tourism inter-link, where all residents enjoy a prosperous, caring, safe and secure environment which promotes cultural diversity "*

The current vision and the mission statement of Emnambithi /Local Municipality place emphasis on providing the local communities with quality services that will contribute in improving their quality of life. This is also linked to the type of projects that the Municipality has identified for the 2007/8 financial year. In order for the Municipality to realize the aims and objectives embodied in the above mentioned vision and mission statement, it has put emphasis on partnerships that would attract investors to provide support on local economic development projects, tourism, infrastructure development and other development projects that place great emphasis on the principles of Accelerated Shared Growth and Development in South Africa as well as the Expanded Public Works Programme.

The municipality's main goal is to improve the quality of life of the people through provision of free basics services and increasing the delivery of services provided by the Municipality.

The key priority areas of the Municipality are:

- Housing
- Solid Waste Management
- Health Management
- Roads
- Spatial Planning
- Community Facilities
- Safety and Security
- Electricity
- Economic Growth
- Poverty Alleviation
- Job Creation
- Financial Management and Viability
- Organisational Design
- Employment Equity
- Skills Development
- Integrated Development Planning
- Performance Management
- Public Participation
- Ward Systems
- Corporate Governance



#### 4. INTRODUCTION TO THE ANNUAL REPORT

The promulgation of the Municipal Finance Management Act (MFMA) marked the completion of the transformation of the local government sphere at the legislative level. The Act was designed with the intention of modernising budgeting and financial management, while concurrently promoting transparency and accountability in municipal finance.

The Municipal Systems Act (as amended) (MSysA) requires municipalities to prepare annual performance reports, based on the approved Integrated Development Plan. The MFMA and MSysA, read together, seek to promote financial and performance reporting by municipalities in a single and integrated annual report. The annual report is also an instrument for financial and performance corrective action in subsequent years.

The rigorous requirement for preparation and adoption of financial statements, performance reports and the annual report as a whole is intended to enhance transparency, accountability and good governance.

In terms of section 121(1) of the MFMA, every municipality and municipal entity must prepare an annual report for each financial year. The purpose of an annual report, pursuant to section 121(2), is to provide a record of activities, report on performance against the budget and promote accountability to the local community for the decisions made throughout the year.

*Table 1.1 Legislative requirements in terms of MFMA*

Section	Requirement	Legislative Provision	Legislative Compliance
121(3)(a)	Annual financial statements of the municipality	Annual Financial Statements of the municipality	Yes Chapter
121(3)(b)	Auditor-General's audit report	Auditor-General's audit report in terms of S 126(3) on those financial statements	Yes
121(3)(c)	Annual performance report	Annual performance report of the municipality prepared by the municipality in terms of S 46 of the Municipal Systems Act	Yes
121(3)(d)	Auditor-General's audit report	Auditor-General's audit report in terms of performance audit section 45(b) of the Municipal Systems Act	Yes
121(3)(e)	Accounting Officer's assessment on arrears	Assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges	Yes
121(3)(f)	Accounting Officer's assessment of performance on each vote in the budget	Assessment by the municipality's accounting officer of the municipality's performance against performance on the measurable performance objectives referred to in section 17(3)(b) for each vote in the municipality's approved budget for the relevant financial year	Yes
121(3)(g)	Audit corrective actions	Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)	Yes Chapter 4
121(3)(h)	Explanations to clarify financial statements	Explanations that may be necessary to clarify issues in connection with the financial statements	Yes
121(3)(i)	Other information	Information as determined by the municipality	Yes
121(3)(j)	Audit Committee Recommendations	Recommendations of the municipality's Audit Performance Committee	Yes
121(3)(k)	Other prescribed information	Other information as may be prescribed	N/a



Section 46(1) of the MSysA requires municipalities to prepare a performance report for each financial year setting out the performance of the municipality and external service providers, comparison of the performance with the targets set for and performances in the previous financial year and measures taken to improve performance. As shown above, the annual performance report must form part of the Annual Report. A high priority for 2007/2008 is compliance with Chapter 6 of the MSysA (including S46) by developing and implementing a Performance Management System for the Municipality.

Chapter 12 of the MFMA contains a very wide range of provisions relating to financial reporting and auditing. With respect to the Annual Report specifically, the process of preparation and adoption includes the 'tabling' of annual reports, and the formulation of 'oversight reports' on annual reports. The process for the adoption of the Emnambithi/Ladysmith Municipality's 2007/08 Annual Report is that it should be prepared in accordance with chapter 12 where possible and should contain information required by section 121. The Council is required to deal with the annual report within nine months after the end of the financial year, which is before 31 March 2009. This includes the adoption of an oversight report in accordance with S 129 (1) of the MFMA containing Council's comments on the Annual Report.



## CHAPTER 02

### PERFORMANCE HIGHLIGHTS 2009-2010

#### INTRODUCTION

The Annual Performance Report of the Emnambithi-Ladysmith Municipality is tabled in terms of section 121 of the Municipal Finance Management Act, 55 of 2003 and section 46 of the Municipal Systems Act, 2000 as amended.

#### BACKGROUND

*The purpose of an Annual Performance Report is to provide a record of the activities of the municipality, report on performance against the budget and promote accountability to the local community for the decisions made throughout the year.*

Key legislative elements of the Annual Performance Report include as requested by the Auditor-general:

- The annual performance report of the municipality (S 46 MSyA) and Auditor-General's audit report on performance (S 45 (b) M SyA)
- An assessment by the Accounting Officer of the performance against the measurable performance objectives (S 17 (3) (b) MFMA)
- Details of corrective action taken or to be taken in response to issues raised in the audit reports

Section 46 of the Municipal Systems Act stipulates that -

"A municipality must prepare for each financial year a performance report reflecting –

- The performance of the municipality and of each external service provider during that financial year;
- A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year,
- Measures taken to improve performance, and
- An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Financial Management Act."



## **NATIONAL KEY PERFORMANCE INDICATORS**

The Municipal Performance Report mainly reflect on the performance of each department against set Key Objectives, Key Performance Areas and Annual Targets. The Municipal Performance Management Systems of the Municipality mainly consist of different tools for assessment and reporting.

The assessment and reporting of evaluation is based on the following areas:

- Municipal Performance Management Policy Framework which was adopted by council in 2008.
- The Service Delivery Budget Implementation Plan (SDBIP), which provides quarterly reports and are submitted to Exco
- Mid-year Performance report, informed by the evaluation of the section 57 employees and the head of departments
- Performance Report is developed to give credence against set performance targets and measures to improve performance
- Lastly, the annual report is developed as means to provide a holistic picture on the administrative, Human Resource and Financial position of the municipality.

## **ANNUAL PERFORMANCE PROCESS PLAN**

The report further gives palpable progress about each department's performance for the period under review. The performance evaluation of each department is informed by the Departmental Score Card. The performance evaluation committee had conducted a performance of all heads of departments.

The Performance Management System Policy Framework makes provision for the auditing of performance by the Performance Audit Committee. The Performance Audit committee with the assistance of internal audit unit have undertaken a number of projects whereby departments have to provide evidence and give explanation for performance below par.

## **PERFORMANCE HIGHLIGHTS REPORT**

The Municipal report on National Key Performance Areas as reflected below shall provide a summary report on individual KPA performance:



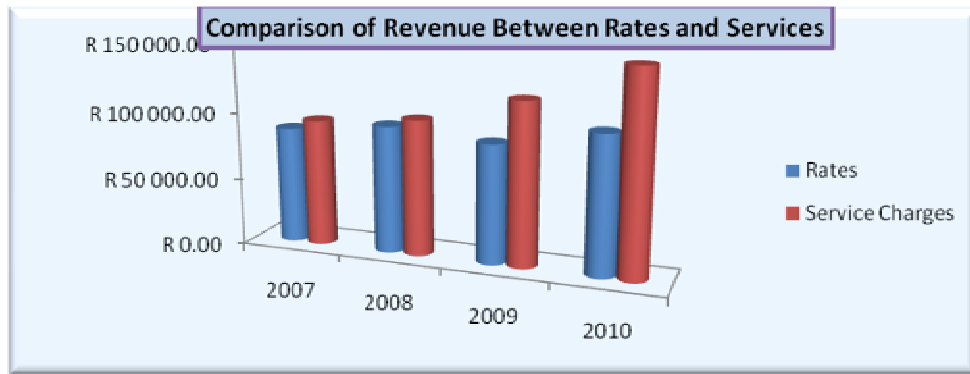
	$A = \frac{B-C}{D}$ <p>Where:</p> <p>"A" represent Liquidity position          "B" represent total current Assets          "C" self supporting loans          "D" current liabilities</p>	<p>Determines the ability to meet short-term financial obligations:</p> <p><b>Target:</b></p> <p>A ratio greater than 1 is preferred</p>	FINANCE	1.54	Good
	$A = \frac{B}{C}$ <p>Where:</p> <p>"A" represents outstanding services debtors to revenue          "B" represents total <b>Outstanding Service Debtors/Total borrowing</b>          "C" represents annual <b>Revenue Actually</b> received for services</p>	<p>The ratio is a measure of ability to service debt in any given year.</p> <p><b>Target:</b></p> <p>A ratio less than 0.6:1 is desirable</p>	FINANCE	0.25:1	Good
	$A = \frac{B + C}{D}$ <p>Where:</p> <p>"A" represents cost coverage          "B" represents all <b>available cash</b> at a particular time          "C" represents <b>investments</b>          "D" represents monthly <b>fixed operating expenditure</b></p>		FINANCE	4.45	Good
	municipality's approved employment equity plan.				
5	The percentage of a municipality's budget actually spent on implementing its workplace skills plan.	90%	CORPORATE SERVICES	50%	For Council to Comply with the requirements of the Draft Employment Equity Plan
6	$A = \frac{B - C}{D}$ <p>Where:</p> <p>"A" represents debt coverage          "B" represents total operating revenue received          "C" represents operating grants          "D" represents debt service payments (i.e. interest redemption) due within the financial year;</p>	<p>Determines the ability to service own debt</p> <p><b>Target:</b></p> <p>A ratio greater than 1 preferred</p>	FINANCE	94.45	Good



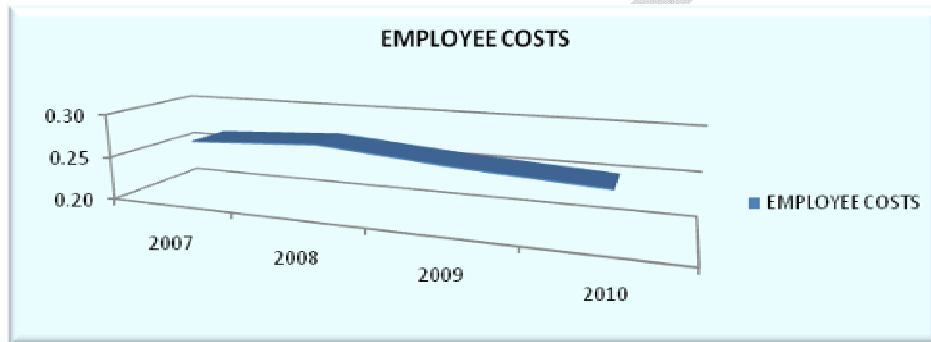
## FINANCIAL PERFORMANCE REPORT

R' 000	07	08	09	'10
<b>OPER. INCOME</b>				
RATES	R 86 463	R 94 114	R 87 889	R101 707
SERVICES CHARGES	R 93 827	R 100 378	R 119 883	R148 202
OPER. GRANTS	R 41 484	R 50 636	R 67 008	R110 724
OTHER	R 22 262	R 24 042	R 37 024	R30 064
<b>TOTAL</b>	<b>R 244 036</b>	<b>R269 171</b>	<b>R R308 403</b>	<b>R391 907</b>
<b>OPER. EXPENDITURE</b>				
EMPLOY. COSTS	R -64 693	R -73 455	R -80 200	R-98 410
COUNCILLOR. SALARIES	R -8 192	R -9 005	R -9 893	R-10 590
BULK PURCHASES	R -50 541	R -51 566	R -66 565	R-88 247
INTERESTS PAID	R -2 515	R -2 057	R -1 901	R-1 720
DEPRECIATION	R -17 506	R -20 482	R -87 688	R-74 653
OTHER	R -94 019	R -102 676	R -103 331	R-167 755
<b>TOTAL</b>	<b>R -237 466</b>	<b>R -259 241</b>	<b>R -279 977</b>	<b>R-441 376</b>
<b>SURPLUS/DEFICIT</b>	<b>R 6 570</b>	<b>R 4 535</b>	<b>R-38 844</b>	<b>R -49 468</b>

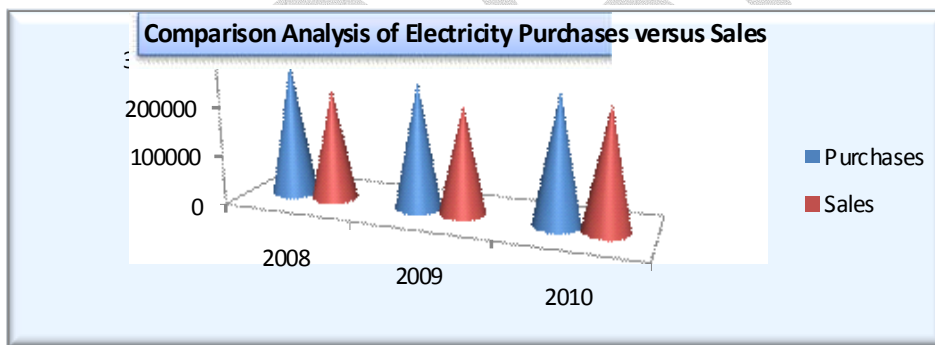
\*\* The total income and expenditure excludes subsidy for the Low Cost Housing



Comment: Due to the Implementation of the MPRA-200-2009 has led to the decline in rates revenue which has showed a sign of incline in the 2010 financial year.



Comment: The Total costs for Employees remain below the benchmark of 30%.

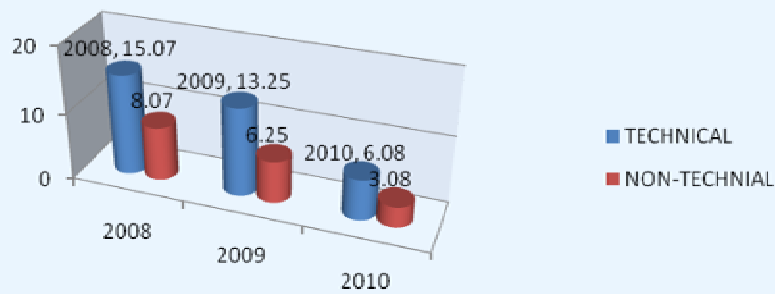


Purchases	
2008	275 749
Written-Off Bad Debts	
Service	Amou
Rates	15 66
Electricity	8 758
Refuse	16 83
Sundry	3 298
Total	44 55

Debtors Collectio	
Amount Billed	Amount
R 213 431 263	R 195 11



**ELECTRICITY NON-TECH AND TECHNICAL LOSSES PER YEAR %**

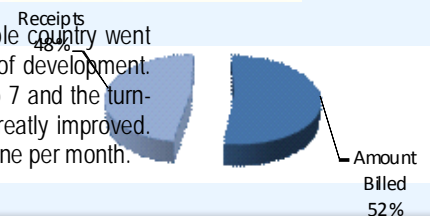


Comment: The Total Losses per annum has dropped by more than 50% since 2007 to 2010.

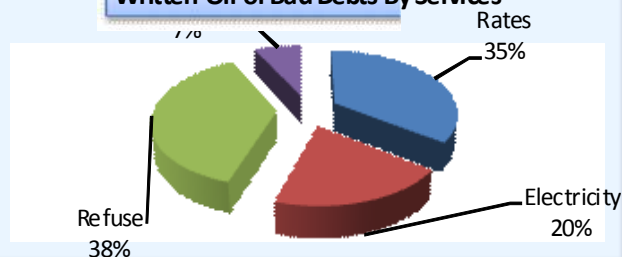
## STATUTORY APPLICATIONS

Statutory applications seem to be on the increase irrespective of the fact that the whole country went through the global economic melt-down. This process has facilitated speedy delivery of development. For instance special consent application have gone from an average of 4 per month to 7 and the turn-around times irrespective of several committees that have to consent to have been greatly improved. On the other hand rezoning applications have been very laid-back with an average of none per month.

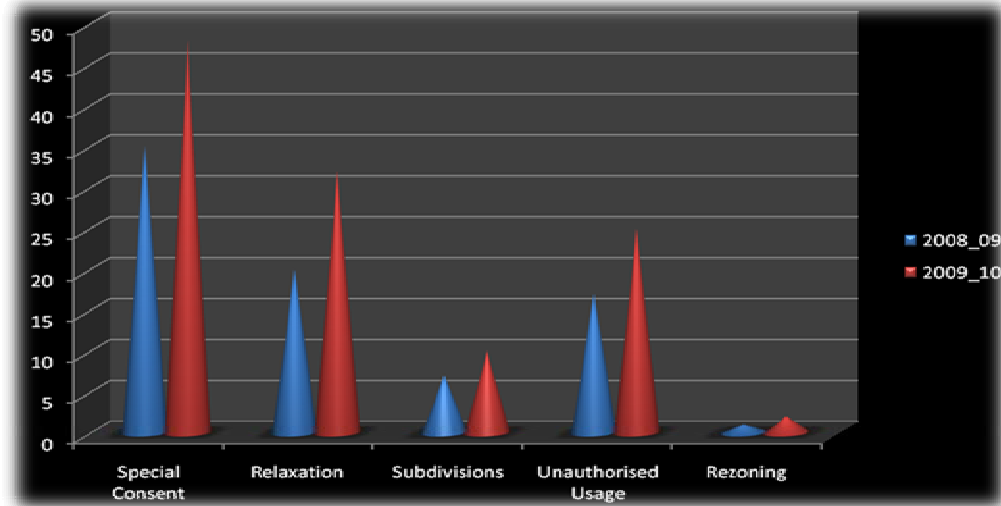
**Amount Billed versus Amount Collected**



**Written-Off of Bad Debts By Services**



It is one of the forecast activities that when a town is going through development even though it may be at a low scale, illegal activities will also mushroom and needs to be controlled if we were to achieve harmony and order on land use. Therefore a number of unauthorised usage is also on the increase from an average of 3 per quarter to 5. Relaxations intertwined with subdivisions to smaller plots are also evident that people now desire to live in small properties as part of densification initiative.



## CHAPTER 03

### HUMAN RESOURCES

#### Overview

Human resources performs both line and staff functions which support and give direction to other departments regarding human resources. It incorporates Human Resource Provisioning comprising HR planning, recruitment, selection and induction as well as HR maintenance which comprises benefit structures, record keeping, turnover, advisory services, social responsibility, affirmative action and employment equity, health and safety, skills development, settlement of disputes (grievances and discipline), training, education and career management.



## PERSONNEL EXPENDITURE

Salary Types	2007/2008	2008/2009	2009/2010
	R	R	R
Salaries & Allowance	59 807 157	64 799 072	78 323 804
Overtime and Standby	3 956 215	6 645 434	6 636 908
Job Creation	5 355 335	6 887 340	12 186 594
Pension	9 536 714	9 935 991	11 278 422
Medical Aid	4 138 407	3 265 981	3 759 389
U.I.F.	591 412	645 678	786 337
Group Life	83 298	70 817	72 326
Councillors Allowances	9 005 163	9 892 996	10 589 942
Less: Charged Out	(10 013 385)	(12 050 372)	(14 633 796)
<b>TOTAL</b>	<b>82 460 316</b>	<b>90 092 936</b>	<b>108 999 926</b>

## HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Departments	Permanent Posts	Vacant Posts	Total Posts
Executive and Council	50	0	50
Municipal Manager's Office	27	15	42
Finance	65	15	80
Corporate Services	47	2	49
Economic Development and Planning	131	3	134
Governance and Transformation	89	2	91
Public Safety	66	11	77
Engineering Services	80	14	94
Electricity	74	14	88
<b>TOTAL</b>			

## SKILLS AND LEVEL OF EDUCATION ATTAINED I.R.O TRAINING IMPLEMENTED

Councillors, Senior Officials and Managers

No.	Skills Development Training	No.	Level Of Education Attained
1.	Municipal Finance	19	NQF 7
2.	Project Management	3	NQF 6
3.	Program in Management Development	12	NQF 7

Professionals



No.	Skills Development Training	No.	Level Of Education Attained
1.	Computer Training – MS Word & EXCEL		NIL
2.	Employee Assistance Programme		NIL
3.	IDP Training		NIL
4.	Municipal Finance	5	NQF 7

#### Clerks

No.	Skills Development Training	No.	Level Of Education Attained
1.	MS Word & EXCEL		NIL
2.	Induction Training	12	
3.	IDP Training		NIL
4.	Municipal Finance	2	NQF 7
5.	Project Management	1	NQF 6
6.	Supply Chain Management	5	NQF 5

#### Craft & Related Trade Workers

1.	MS Word	NIL
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#### Plant & Machine Operators

No.	Skills Development Training	No.	Level Of Education Attained
1.	Municipal Finance		NIL
2.	Carpentry	5	
3.	Project Management		NIL

#### Elementary Occupations

No.	Skills Development Training	No.	Level Of Education Attained
1.	MS Word		NIL



2.	Carpentry	3
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Bursaries Allocated: Internal (2009/2010)

Total Students	Field of Study	Progress	Amount Paid
1	Personnel Management	Not finalised	R1380.00
2.	Human Resource Management	Not finalised	R3965.00
4	Bachelor of Commerce	Not finalised	4688.00
1	Doctorate in Public Management	Not finalised	R1500.00
1	Bachelor in Public Administration	Not finalised	R8775.00
3	Public Management	Not finalised	R17253.00
1	Certificate in Accounting	Not finalised	R4660.001
1	Business Communication	Not finalised	R1600.00
2	IT Technician	Not finalised	R9798.00
1	Business Management	Not finalised	R2250.00
8	Supply Chain Management	Not finalised	R34520.00
1	Computer Skills	Not finalised	R1250.00
5	Masters in Business Administration	Not finalised	R172340.00
1	Information Science	Not finalised	R1932.00
5	Nursing Management	Not finalised	R37231.43
1	Diploma in OBETD	Not finalised	R8250.00
2	Public Management	Not finalised	R9137.00
1	Civil Engineering	Not finalised	R3980.00
1	Conveyance	Not finalised	R3350.00
1	Information Science	Not finalised	R5472.00
1	Information Science	Not finalised	R5472.00
1	Financial Management	Not finalised	R3600.00
1	Marketing Management	Not finalised	R4400.00
1	Public Relations Management	Not finalised	R124580.00
1	Risk Management	Not finalised	R11870.00
1	Public Administration	Not finalised	R9329.00
1	Office Administration	Not finalised	R4990.00
1	Business Administration	Not finalised	R2826.00
1	Internal Audit	Not finalised	R6300.00

BURSARIES ALLOCATED: EXTERNAL (2009/2010)

Total Students	Field of Study	Progress	Amount Paid
9	Schooling		R 2 274
27	Tertiary Education		R 69 000

PENSION AND MEDICAL AID FUNDS

Pension Fund

The composition of membership per pension and provident fund was as follows: -

Pension Fund	Number of Members
--------------	-------------------



Councillors Pension Fund	29
Sala Pension Fund	13
Natal Joint Municipal Pension Fund	535
National Treasury Pension Fund	27
<b>Total</b>	<b>604</b>

#### Medical Aid Funds

Membership to the medical aid funds was as follows: -

Medical Aid Fund	Number of Members
LA Health	4
Bonitas	55
Global Health	95
Munimed	-
<b>Samwumed</b>	<b>76</b>
<b>Total</b>	<b>230</b>

#### DISCLOSURE: POLITICAL OFFICE BEARERS AND SENIOR OFFICIALS

The remuneration of political office bearers is as follows: -

Designation	Salary	Travel	Pension Fund	Medical Aid	Housing	Personal	Cell	Total
	R	R	R	R	R	R	R	R
Mayor	494 875	64 120	-	17 280	-	-	17 100	593 375
Deputy Mayor & Speaker	718 939	77 980	107 841	17 280	-	-	34 200	956 240
9 Exco Cllr	1 264 726	230 348	135 428	17 280	-	-	74 676	1 722 459
39 Cllr	5 625 368	812 087	410 019	45 988	-	-	424 402	7 317 864
<b>TOTAL</b>	<b>8 103 908</b>	<b>1 184 535</b>	<b>653 288</b>	<b>97828</b>	<b>-</b>	<b>-</b>	<b>550 378</b>	<b>10 589 938</b>

The remuneration of senior officials is as follows: -

Designation	Salary Overtime	Bonus	Travel	Housing	Pension Fund	Medical Aid	Other	Total Cost
	R	R	R	R	R	R	R	R
Municipal Manager	693 334	97 098	132 000	-	-	-	11 204	933 636
Chief Financial Officer	-	-	-	-	-	-	-	-
Manager Corporate Services	295 077	24 590	136 341	5 928	73 814	27 014	79 984	642 747
Manager Finance	295 077	24 590	70 619	-	53 115	29 837	262 919	736 156
Manager Public Safety	295 077	24 590	138 441	-	73 857	27 014	75 381	634 360
Executive Manager Governance and Transformation	640 515	57 056	60 000	-	-	-	9 509	767 080



Executive Manager Dev.& Planning	512 943	63 395	164 057	-	-	23 515	9 509	773 418
Executive Manager Electrical Engineering	290 257	82 414	60 000	-	-	-	4 755	437 426
Manager Engineering	295 077	24 590	135 325	5 928	73 771	-	6 676	610 070
<b>TOTAL</b>	<b>3317 355</b>	<b>398 323</b>	<b>896 782</b>	<b>11 856</b>	<b>274 557</b>	<b>107 381</b>	<b>528 642</b>	<b>5 534 894</b>

#### STAFF ESTABLISHMENT AT SENIOR MANAGEMENT LEVEL 0-3

RACE	GENDER	NUMER
African	FEMALES	02
African	MALES	05
Whites	FEMALES	01
Whites	MALES	04
INDIANS	FEMALES	01
INDIAN	MALES	06

## CHAPTER 04



# **THE AG AUDIT REPORT AND RELATED FINANCIAL STATEMENTS**

**AUDITOR'S REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL  
PROVINCIAL LEGISLATURE AND THE COUNCIL ON EMNAMBITHI/LADYSMITH  
MUNICIPALITY**

## **REPORT ON THE FINANCIAL STATEMENTS**

### **Introduction**

1. I have audited the accompanying financial statements of the Emnambithi/Ladysmith Municipality, which comprise the statement of financial position as at 30 June 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 1 to 43 and 48.

### **Accounting Officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of



these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2009 (Act No. 12 of 2009) (DoRA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor-General's responsibility**

3. As required by section 188 of the Constitution of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Opinion**

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Emnambithi/Ladysmith Municipality as at 30 June 2010, and its financial performance and its cash flows for the year then ended in accordance with the SA Standards of GRAP and in the manner required by the MFMA and DoRA.

#### **Emphasis of matters**

8. I draw attention to the matters below. My opinion is not modified in respect of these matters:

#### **Unauthorised expenditure**



9. As disclosed in note 29 to the financial statements unauthorised expenditure of R82,394 million was incurred as a result of depreciation and indigency expense incurred exceeding the budgeted amounts.

#### **Additional matter**

10. I draw attention to the matter below. My opinion is not modified in respect of this matter:

#### **Unaudited supplementary schedules**

11. The supplementary information set out on pages 44 to 47 and 49 to 50 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

12. As required by the PAA and in terms of *General notice 1570 of 2009*, issued in *Government Gazette No. 32758 of 27 November 2009* I include below my findings on the report on predetermined objectives, compliance with the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and financial management (internal control).

#### **Predetermined objectives**

13. Material findings on the report on predetermined objectives, as set out in chapter 6, are reported below:

#### **Usefulness of reported performance information**

14. The following criteria were used to assess the usefulness of the planned and reported performance:

- Consistency: Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
- Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

#### **Planned and reported indicators not well defined**

15. For the following selected objectives, 70% of the planned and reported indicators were not clear, with an unambiguous definition to allow for data to be collected consistently:

- Improve Public Works infrastructure
- Implementation of Municipal Infrastructure Grant funding projects
- To improve access to quality affordable housing

#### **Planned and reported performance targets not specific/measurable/time bound**



16. For the selected objectives (Improve Public Works infrastructure, Implementation of Municipal Infrastructure Grant funding projects, To improve access to quality affordable housing), 26% of the planned and reported targets were not:

- specific in clearly identifying the nature and the required level of performance;
- measurable in identifying the required performance; and
- time bound in specifying the time period or deadline for delivery.

## **Compliance with laws and regulations**

### **Municipal Finance Management Act**

#### **Annual financial statements**

17. Contrary to the requirements of section 122(1) of the MFMA, the financial statements submitted for audit were subject to material adjustments due to errors noted during the audit.

## **INTERNAL CONTROL**

18. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the MFMA, but not for the purposes of expressing an opinion on the effectiveness of internal control.

19. The matters reported are limited to the significant deficiencies that gave rise to the findings on the report on predetermined objectives.

## **Financial and performance management**

20. Systems are not appropriate to facilitate the preparation of quality financial statements and performance reports. The financial statements were subject to material amendments resulting from the audit.

## **Governance**

21. Internal control deficiencies in the setting of key performance indicators and targets are not identified and communicated in a timely manner to allow for corrective action to be taken.

Pietermaritzburg

*Auditor General*

30 November 2010



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## CHAPTER 05

### FUNCTIONAL AREA SERVICE DELIVERY REPORTING

#### GENERAL INFORMATION 2001 STATISTICS

<u>General Information</u>	<u>Total</u>
Geography	



Geographical Area	2 965 km <sup>2</sup>
Demography	
High above sea level	1 140m
Population per gender:	
Male	104 988
Female	120 470
Number of Households:	
Urban	33 435
Village	17 094
Indigent Population	3 639
Total number of voters	121 664
Age Breakdown of population:	
65 years and over	9 227
Between 28 and 64 years	70 880
18 years and younger	103 795
Household income per month:	
Owner R800	2 393
Between R801 and R1 600	687
Between R1 601 and R3 200	560
Less than R1 601	3 080

## **EXECUTIVE AND COUNCIL**

### **Overview**

The Council and Executive Committee gives effect to Section 156 of the Constitution, which provides for the powers and functions of the Municipality. A key role is to link the community, other spheres of government and staff in a common and co-ordinated direction that achieves the outcomes of the Integrated Development Plan. The Speaker ensures appropriate community participation and liaison on a daily basis.

### **COUNCIL**

A comprehensive lists of councillors.



SEQ	NAME	RESIDENTIAL ADDRESS	TEL WORK/CELL	PARTY
1	Biyela Bonisiwe Beauty	C1218 Ezakheni	082 497 8733	IFP
2	Buthelezi Mandla Justice	Madilika CP School, Driefontein	082 887 4706 083 722 7634 036-631 9253	IFP
3	Cebekhulu Bongani S E	10971 Majola St Shayamoya	082 497 8718 036-6364861	ANC
4	Chetty Loganathan	40 Cove Crescent Laydsmith	033-355 3100 083 289 4492	ANC
5	Dladla Fikile Winniefrida	E1838 Makani St Ezakheni	082 887 4702	ANC
6	Dlaedwa Zwelibalele Jantjie	20 Umsululu St Mkhamba Gardens	082 497 8741 036-631 3428	IFP
7	Dube Sebenzile Clementine	House no 333 next to Madevu Store Driefontein	082 809 4017 036-6317429	ANC
8	Fakude Adrian Sibusiso	5 Parklane Hydeprk, Ladysmith	082 801 2339 036-6372111	ANC
9	Gumbi Theresa Nonhlanhla	Driefontein - ask at Tribal Court	082 496 6097	IFP
10	Hadebe Amos Mdumsemi	E1040 Ezakheni	082 800 2388 036-6341361	ANC
11	Hurter Pieter Johannes	13 Voortrekker Street, Ladysmith	083 655 4317	DA
12	Jubber Brian Desmond (Pastor)	4 Aloe Road Ladysmith	631 1391 083 635 3438	ACDP
13	Kalladin G	50 Saffa Str. Ladysmith	073 566 6513	DA
14	Khan Fazleh Ahmed Dr		637 8656 082 497 8720	ANC
15	Khan Soojat Hoosen	6 Khwaja St Ladysmith	082 497 8731	ANC
16	Khumalo Benneth Bongani	E1742 Ezakheni	082 809 4580	ANC
17	Khuzwayo Nkosiwana G	C2 3373 Khumalo Street, Ezakheni	083 770 9033 036-6347600	ANC
18	Madlala Mayibhoji Vincent	E2238 Hlokoohloko Street Ezakheni 3381	082 880 7003 079 5233 119	ANC
19	Madonsela Irene Virginia Busisiwe	B3824 Ezakheni	082 497 6357	ANC
20	Madonsela Busisiwe Rose	E804 Mhlekwana Street, Ezakheni	073 140 4394 082 499 8627	IFP
21	Magasela Josia Mkhapheni	501 Blue Bank Ladysmith	082 497 8729	ANC
22	Mahlaba Octavia Smangele	130 O R Tambo Colenso	082 497 8730 073 651 9862	IFP
23	Makaula Nobuhle Gladys	2636 Steadville (770) Phase 2	083 625 2513	ANC
24	Mazibuko Duduzile Cynthia Patience	C568 Ezakheni, Ladysmith	636 1912 082 822 2156	ANC
25	Mlotshwa Mosley Ntombizonke	31 Aquarius Street Limit Hill Ladysmith	082 497 8724	ANC
26	Mlotshwa Malandela Lincoln	Kwa-Mithandi, Ladysmith	083 3686 208	ANC
27	Mokoena Goodwill Labane Sanele	944 Mathew Goniwe St / White City / Steadville	082 497 8734	ANC
28	Moloi Nozamani Philemon	C3 3068 Ezakheni	082 497 8726	ANC
29	Msomi Thamsanqa	A403 Mpunzi St Ezakheni OR next to Ratanang	082 497 8719	ANC



		shop or Social Welfare		
30	Mtshali Mazwakhe	408 Mandi St Colenso	082 804 2984	IFP
31	Muller Tanya Tracey	5 President Street Ladysmith	082 497 8737 036-6376801	ANC
32	Ndlovu Themba Ephraim	12 Metford Road Modelkloof	082 881 6318 036-6372096	NADECO
33	Ngwenya Angel Pinkie	Blue Bank Farm Ladysmith	082 497 8739	IFP
34	Niemand Rienus	29A Convent Rd Ladysmith	082 497 8743 638 9779	ANC
35	Nkosi Gabriel Siphon	60 Residency Rd Ladysmith	082 801 7453 631 7123	IFP
36	Nkosi Sikhumbuzo Welcome		082 943 1840 034-2612247	IFP
37	Nxumalo Siphwe Petros	D 1029 Ezakheni 3381	082 497 8738	ANC
38	Porrill Patricia Ann	28 Francis Road Ladysmith	637 2828 083 635 3481	DA
39	Ramdaas Bachu Vimmi	76 Tanjore Road Ladysmith	082 880 7427	MF
40	Rassool Zehra Banu	12 Forbes Street Ladysmith	082 804 2369 036-6312965	ANC
41	Shabalala Senzeni Victoria	Matiwaneskop, Engingeni, Elandslaagte	082 497 8722	IFP
42	Sibaya Vincent Bongumusa	Burford Area/Masengemu St / Burford	083 635 3663	ANC
43	Sigasa Nkosana Petros	Peacetown Area	082 809 4032	ANC
44	Sokhela Sibisiso Dennis	Kleinfontein, Gudwini, Ladysmith	083 948 3079	ANC
45	Suddaby Michael Rodney		082 497 8742	IFP
46	Thusi Sphamandla Henry	157 Thembalihle Steadville	082 333 1778 036-6384000	ANC
47	Warasally Abbas Sheik Dawood	29 Khwaja Street, Ladysmith	071 3832 622	IFP
48	Wood John Melville Hellier	24B Buller Road Ladysmith	631 0526 083 635 3479	ANC
49	Zwane Mxolisi Lucky	Next to Gcizela Primary School	082 497 8744 036-6372251	ANC
50	Zwane Siphon Nicholas	Matiwaneskop Elandslaagte	082 809 3512	IFP

#### LIST OF EXCO MEMBERS

NAME	RESIDENTIAL ADDRESS	TEL WORK/CELL	WARD
Mazibuko Duduzile Cynthia Patience	C568 Ezakheni	636 1912 082 822 2156	ANC
Madlala Mayibhoi Vincent	E2238 Hlokoheko Street Ezakheni 3381	082 880 7003 079 5233 119	ANC
Madonsela Irene Virginia Busisiwe	B3824 Ezakheni	082 497 6357	ANC
Wood John Melville Hellier	24B Buller Road Ladysmith	631 0526 083 635 3479	ANC
Moloi Nozamani Philemon	C3 3068 Ezakheni	082 497 8726	ANC



Sigasa Nkosana Petros	Peacetown Area	082 809 4032	ANC
Buthelezi Mandla Justice	Madilika CP School, Driefontein	082 887 4706 083 722 7634 036-631 9253	IFP
Suddaby Michael Rodney		082 497 8742	IFP
Hurter Pieter Johannes	13 Voortrekker Street, Ladysmith	083 655 4317	DA

### Description of the Activity

The functions exercised by the Executive Committee and Council of the municipality, and the services provided extend to all residents in the municipal area take into account the division of powers and functions between the district and local municipality.

The municipality is administered through a committee system that includes the Executive, Portfolio, Ward and other necessary committees such as the MFMA Steering Committee.

The local municipality has a mandate as listed in part B of Schedule 4 and part B of Schedule 5 of the Constitution exclusive of the district municipality functions listed in Section 84 of the Municipal Structures Act.

### Strategic objectives of this function and key issues for 2009-2010:

- To ensure that all households in Emnambithi/Ladysmith have access to basic services at specified standards
- To avoid the deterioration of the existing infrastructure network through a comprehensive maintenance and upgrading programme
- Improve accessibility in rural areas and improve road linkages between urban and rural components
- To stimulate local economic development with specific emphasis on tourism, agriculture, manufacturing and small scale industries
- To reduce poverty to a significant and measurable extent
- To ensure that there is an agreed approach and programme with key stakeholders who are needed to implement the IDP
- To integrate environmental management principles into all municipal activities
- To contribute to a reduction on the effects of AIDS pandemic
- To facilitate improvement of primary, secondary and tertiary education facilities and to improve access to skills development programme
- To ensure that internal decision-making processes are efficient and effective
- To compile a valuation roll for properties
- To ensure that revenue is optimally collected and sustainably managed
- To ensure that citizens are satisfied with the quality of service provision from the municipality and other service providers
- To ensure that the municipality has sufficient institutional capacity to meet the challenges associated with its transformation into a developmental municipal



- To move towards representivity in line with the employment equity plan
- To improve internal communication and to ensure that citizens are informed and given the opportunity to participate in Council processes

#### **ANALYSIS OF THE COUNCIL STRUCTURES AND COMMITTEE FUNCTION**

DETAIL		TOTAL
<b>1. Councillor Detail</b>		
Total number of Councillors		50
Number of Councillors on Executive Committee		10
<b>2. Ward Detail</b>		
Total number of wards		25
Number of ward meetings		
<b>3. NUMBER AND TYPE OF COUNCIL AND COMMITTEE MEETINGS</b>		
Ordinary Council meetings	18	
Ordinary Executive Committee meetings	22	
Special Executive Committee meetings	10	
Management Committee meetings	50	
Audit Committee	12	
Local Labour Forum	08	
Local Economic Development Forum	None	
Integrated Development Plan Forum	01	
Performance Audit Committee	06	
Municipal Finance Management Act Steering Committee	None	

#### **DEPARTMENT: FINANCE**

##### **COUNCIL PERSONNEL EXPENDITURE**

	2008/2009	2009/2010
Salaries & Allowance	64 799 072	78 323 804
Overtime and Standby	6 645 434	6 636 908
Job Creation	6 887 340	12 186 594
Pension	9 935 991	11 278 422
Medical Aid	3 265 981	3 759 389
U.I.F.	645 678	786 337



Group Life	70 817	72 326
Councillors Allowances	9 892 996	10 589 942
Less: Charged Out	(12 050 372)	(14 633 796)
<b>TOTAL</b>	<b>90 092 936</b>	<b>108 999 926</b>

### Monthly Billings Per Service

Service: Rates	Month	Amount Billed R	Amount Received R
	July 2009	8 906 930	2 614 124
	August 2009	8 554 315	5 904 776
	September 2009	8 285 644	7 869 347
	October 2009	10 201 357	9 517 451
	November 2009	9 900 647	7 138 036
	December 2009	7 811 556	6 706 893
	January 2010	7 965 135	5 330 808
	February 2010	7 577 084	6 207 096
	March 2010	7 894 422	6 181 492
	April 2010	7 840 157	6 424 967
	May 2010	7 321 326	6 059 092
	June 2010	(2 548 636)	5 611 330

Service: Electricity	Month	Amount Billed R	Amount Received R
	July 2009	12 616 127	9 079 743
	August 2009	12 429 773	11 900 390
	September 2009	9 409 795	12 178 037
	October 2009	9 311 361	9 306 220
	November 2009	9 795 927	9 780 214
	December 2009	9 516 128	8 745 506
	January 2010	8 319 940	9 376 323
	February 2010	8 853 898	8 222 932
	March 2010	8 490 174	8 133 043
	April 2010	8 913 799	8 718 839
	May 2010	8 743 411	9 966 102
	June 2010	10 719 043	8 533 131

Service: Refuse	Month	Amount Billed R	Amount Received R
	July 2009	488 905	483 912
	August 2009	611 365	479 029
	September 2009	584 233	435 705
	October 2009	565 948	450 200
	November 2009	588 933	436 226
	December 2009	549 640	458 480
	January 2010	542 977	482 604
	February 2010	539 523	559 221
	March 2010	533 216	501 085
	April 2010	551 761	456 799
	May 2010	542 690	445 791



	June 2010	501 808	422 926
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#### Debtor Collections

Amount Billed	Amount Received
R 213 431 263	R 195 117 866

#### Debtors Aged analysis

Service	Future	Current	30	60	90	+120
	R	R	R	R	R	R
Rates	(2 228 195)	1 281 435	2 752 190	1 914 709	1 887 448	66 988 790
Electricity	(78 529)	10 837 822	1 427 150	283 558	174 656	5 644 845
Refuse	(70 640)	720 069	188 237	132 760	127 146	3 118 083
Sundry	(6 436 864)	1 860 031	901 550	232 333	206 392	7 674 404

#### Write-Off of Bad Debts / Indigents for 2009/2010

Service	Amount R
Rates	15 663 505
Electricity	8 758 581
Refuse	16 833 915
Sundry	3 298 329
<b>Total</b>	<b>44 554 330</b>

#### Property Rates

Rates collectible for the 2009/2010 Year	R 94 347 228
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#### Indigent Policy

Quantity (number of households affected)	12 824
Quantum (total value across municipality)	R 26 358 728

#### Creditors Payments

Month	Amount R
July 2009	29 785 720
August 2009	22 892 200
September 2009	27 716 633
October 2009	24 021 732
November 2009	25 082 085
December 2009	17 762 228
January 2010	15 989 387
February 2010	17 125 520
March 2010	20 201 645
April 2010	18 068 986
May 2010	23 613 987



June 2010

20 692 696

## External Loans

Details	Interest Rate	Date Redeemable	Balance as at June 2010 R
FNB	9.10%	Feb 2016	10 905 656
ABSA	9.10%	Feb 2026	5 763 504
Receiver of revenue	-	-	103
<b>TOTAL EXTERNAL LOANS</b>			<b>16 669 263</b>

PERFORMANCE PLAN			
Key performance area	Key Performance indicator	Current	Target
To ensure that the final accounts are completed timeously and that a clean audit report is obtained.	Final accounts prepared within legislated timeframe An unqualified audit report is received	Within 2 months Qualified Report	Within 2 months Unqualified report
Ensure compliance with the Municipal Finance Management Act and the Procurement Policy	Implementation of MFMA Implementation Plan Develop a MFMA compliant Supply Chain Management Policy	90% Achieved	90% Achieved
Credit Control	Reduce outstanding arrears by a determined %	-	5%
Accuracy of the Management Information, debtors and Budget	The debtors receive accounts timeously and queries are cleared accordingly. The help-desk is operational to assist consumers with queries.	NONE	5 days of month end Help desk 100%
Asset Management and Investments	Required assets are recorded in Financial Required Systems. The Municipality has sufficient Investments to avoid short-term borrowing – Own Funds	100% R 19.3 million In Call Account, and R 25 million on short-term investment	95% R10 million

## ASSESSMENT OF TAX AND TARIFF ARREARS BY THE ACCOUNTING OFFICE MFMA SECTION 121(3)(e)

No.	Accounts Group	Count	Current	Arrears	Total	% Of Total Arrears
1	APPLICATION INDIGENCY	3 300	146 939.51	211 543.90	358 473.41	59
2	AUTOMATIC INDIGENCY	1 415	40 639.10	1 265 287.97	1 305 927.07	97
3	BULK ACCOUNTS	74	6 513 288.30	1 929 349.53	8 442 637.83	23



No.	Accounts Group	Count	Current	Arrears	Total	% Of Total Arrears
4	DEPARTMENT OF PUBLIC WORKS	530	304 501.36	7 402 342.58	7 706 843.94	96
5	DEPARTMENTAL ACCOUNTS	113	200 716.45	9 115.73	209 832.18	4
6	EXCEPTION LIST	1	-	(31.50)	(31.50)	-
7	EXTERNAL HANDED OVER ACCOUNTS	1	-	(0.03)	(0.03)	-
8	FINAL ACCOUNTS	4 407	19 932.41	2 195 511.98	2 215 444.39	99
9	HOUSING & LOAN ACCOUNTS	461	16 298.27	295 346.94	311 645.21	95
10	IN-HOUSE HANDED OVER ACCOUNTS	16 412	160 259.15	59 619 364.54	59 779 623.69	99
11	NORMAL ACCOUNTS - COLENZO	714	167 973.85	909 783.82	1 077 757.67	84
12	NORMAL ACCOUNTS - EZAKHENI	5 487	232 343.00	2 930 547.68	3 162 890.68	93
13	NORMAL ACCOUNTS-STEADVILLE	2 515	468 693.49	4 319 118.32	4 787 811.81	90
14	NORMAL ACCOUNTS-TOWN	11 752	5 277 505.00	1 357 173.28	6 634 678.28	20
15	SPOORNET & TRANSNET	218	50 376.80	(494 727.81)	(444 351.01)	-
16	STAFF ACCOUNTS	164	75 045.67	(4 214.47)	70 831.20	6
17	SUNDRY DEBTORS	279	101 492.92	1 388 435.16	1 489 928.07	93
18	UTHUKELA ACCOUNTS	27	198 603.61	(25 298.13)	173 305.48	15
19	VACANT LAND	1 077	765 120.15	1 491 011.69	2 256 131.84	66
	<b>TOTAL</b>	<b>48 947</b>	<b>14 739 719.03</b>	<b>84 799 661.18</b>	<b>99 539 380.21</b>	<b>85</b>

CONSUMER DEBTORS PER CATEGORIES
---------------------------------



	Actual 2007/2008	Actual 2008/2009	Actual 2009/2010
Residential/Domestic			
Business			
Government			
Other			
Bad Debts Written-Off	R 13 064 850	R 16 421 083	R 18 195 602
Debtors Balance Prior to Write-Off	R 126 050 902	R 142 397 557	R 117 734 982



## DEPARTMENT: ECONOMIC DEVELOPMENT AND PLANNING

### Analysis of the Function:

Number and cost to the employer of all economic development personnel:

Type and number of grants and subsidies received:

Grant (Funding Agent)	Purpose	Amount
COGTA	Town Beautification	R4 000 000
COGTA	Establishment of Wimpy Park	R1 700 000
COGTA	Trading Stalls	R2 200 000
Sports and Recreation	2 <sup>nd</sup> Phase: Ezakheni Stadium	
Sports and Recreation	Cricket Pitch: Ezakheni	
Lotto	Athletic Pitch at Ezakheni	R1 200 000
Economic Development	Trading Centres	R1 700 000

## 1. TOWN PLANNING AND DEVELOPMENT

### Overview

This department deals with all aspects of community development and participation. It ensures that the public is aware of the Integrated Development Plan and Budget of the Municipality. Community based projects are organised with the assistance of the ward councillors. The planning of the Town is entrusted to this department. The Chief Town Planner handles approval for the construction of dwellings and buildings.

### Description of the activity

The functions of Planning and Development within the municipality include:

1. Integrated Development Planning
2. Organisational Performance Management
3. Ward Committees/Public Participation
4. Sports Development
5. Free Basic Alternative Energy Management
6. Sectoral Plans
7. Local Economic Development
8. Community Development
9. Community Liaison
10. Town Planning
11. Geographic System Management
12. Land Use Management System

### Strategic Objectives

To promote Social Development in the Emnambithi/Ladysmith area.

To stimulate Economic development and Planning and develop Institutional Development



## Key issues for 2009/2010

### Social Development

Sports and recreation  
Land Tenure/Ownership  
Community Centre

### Economic development and Planning

Local Economic Development  
Agriculture  
Job Creation and Poverty alleviation  
SMME development  
Tourism development  
Spatial development framework  
Environmental and Land use Management

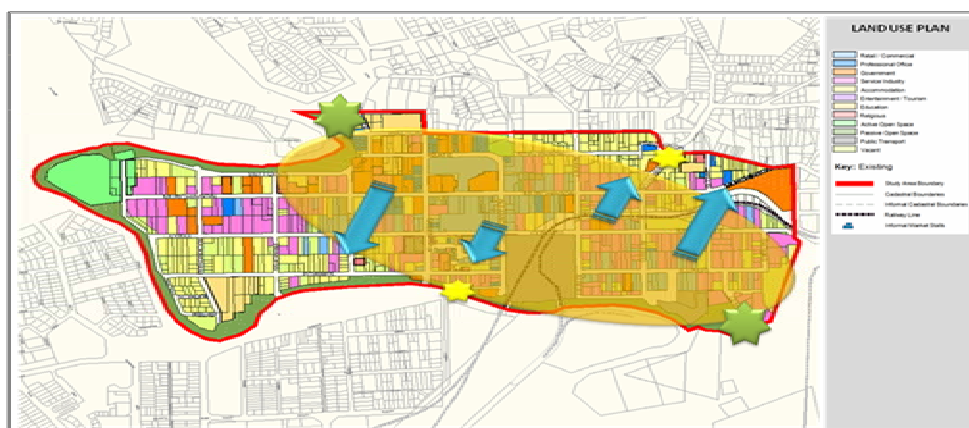
### Spatial Development Plan

Integrated development plan  
Establish GIS Section

### Town and Regional Planning

Special Projects:  
Spatial Development Framework  
Ladysmith CBD Regeneration Plan  
Colenso Regeneration Plan  
Environmental Management Framework  
Integrated development plan  
Geographic Information Systems  
Rezoning Applications;  
Special Consent Applications;  
Subdivision Applications

## LADYSMITH CBD DEVELOPMENT PLAN





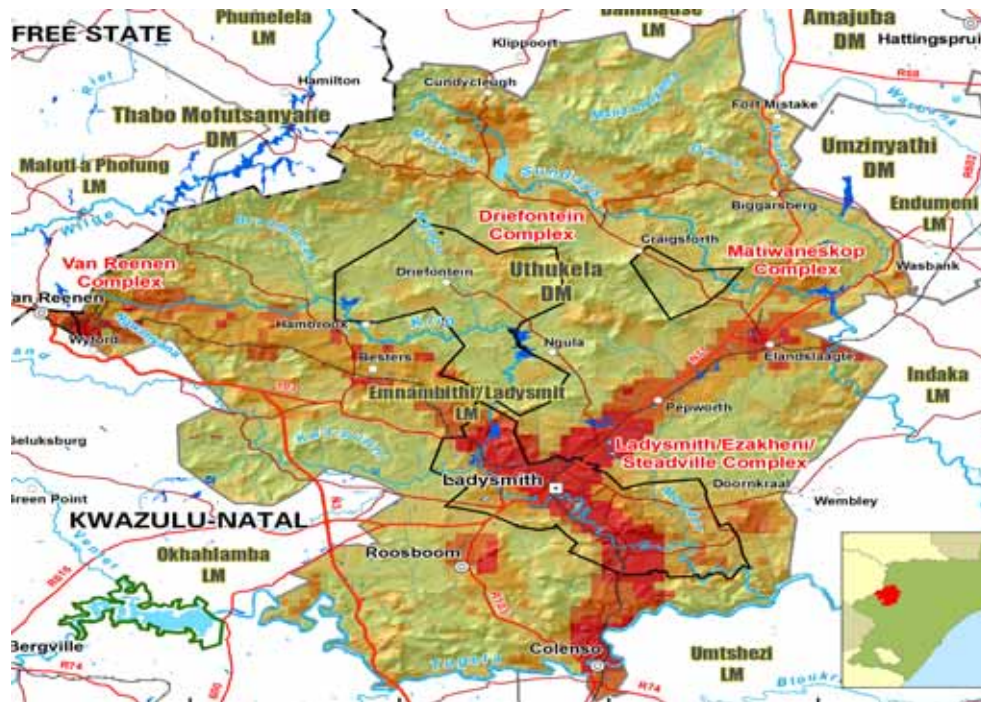
CBD's are engines of local economy, yet the urban management interventions do not embrace phenomenal of modern urbanity. The state of Ladysmith CBD is gradually declining, with lower parts of it rapidly experiencing lack of investment. CBD Regenerating/Renewal is one of the key urban interventions that the municipality has identified to increasingly explore potential growth within and spill-over outwardly. This project commenced in 2009/10 FY and is soon to be completed. An implementation Plan will ensure that this plan is fully endorsed by all relevant stakeholders. It also involves Public/Private Participation.



Above is the representation on the types of trees that will have to be planted by the Municipality as part of branding the existing Ladysmith CBD. These trees vary from the entrance of the CBD to more intense activities. As part of the CBD Development Plan this has been prepared by Environmentalist together with urban designers.



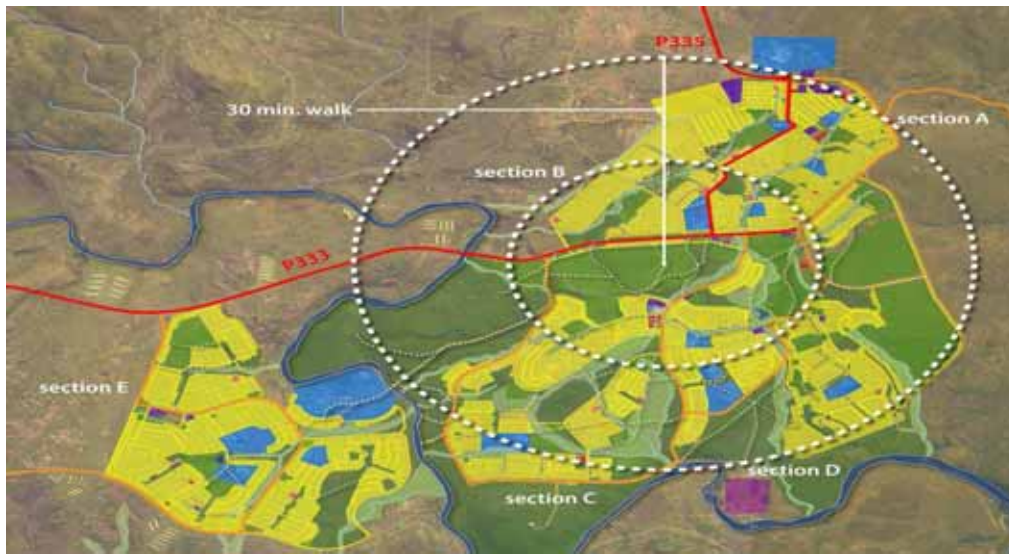
## ENVIRONMENTAL MANAGEMENT FRAMEWORK



Environmental degradation particularly in rural areas seems to be rapidly growing & this has been reaffirmed by the recently compiled ELEMP. As part of Rural Development Strategy Driefontein Complex, planning will be undertaking an LAP. Implementation of PRA by this Council has exerted pressure on landowners with massive land parcels to be developed. This plan aims to coordinate and roll-out land use parcels in a manner that is sustainable.



## EZAKHENI TOWN PLANNING SCHEME

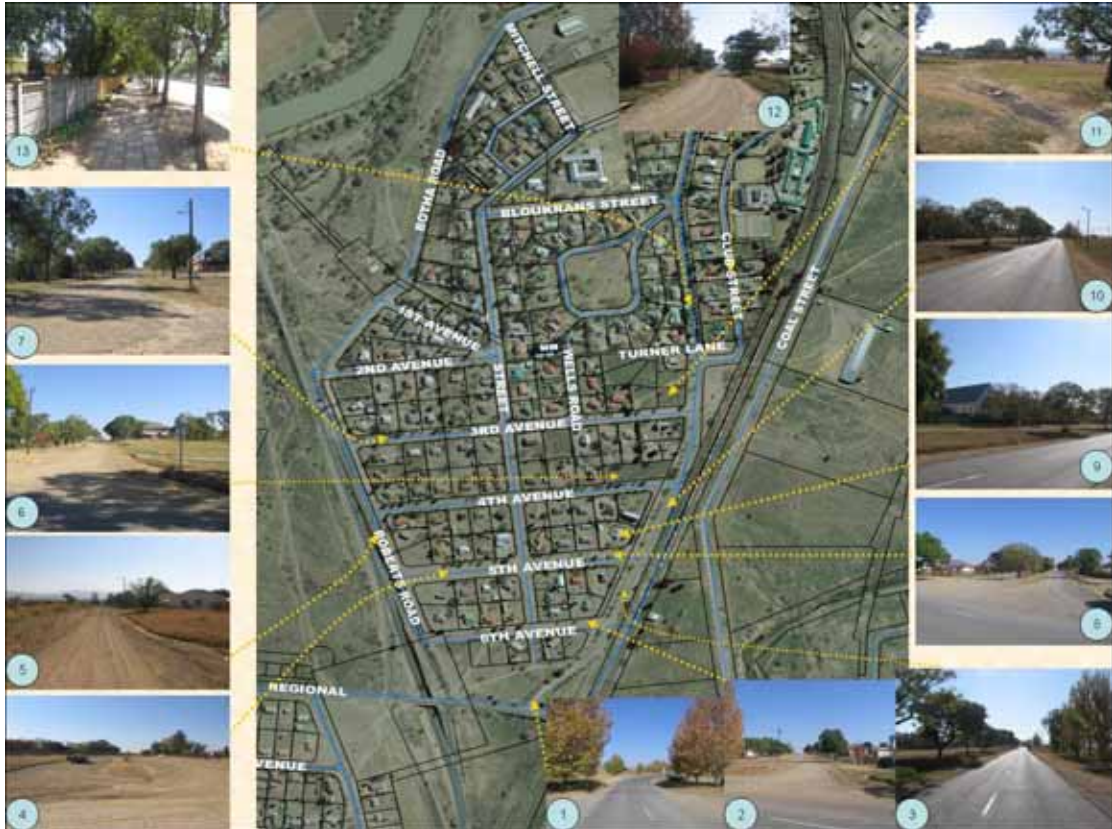


As part preparing this Council for the implementation of the Planning and Development Act of 2008, this Council prepared the Town Planning Scheme for eZakheni. This plan has been great guidance regarding development of land in the former Black Township, eZakheni, by specifying which land use is required in terms of different planning tools, such as special consent and rezoning. It will further assist planners when they prepare the single integrated Scheme for the entire municipal area of jurisdiction as part of the PDA requirement.

### COLENZO REGENERATION PLAN

The plan is aimed at the following:

- redress and create a new local town that has the ability to positively perform,
- coupled with urban design principles that will contribute to improved accessibility; linkages and convenience;
- reinforced town character;
- protections and enhancement of the economic core of the CBD;
- improved economic opportunity spaces and maintenance and enhancement of the environmental character.



A lot of initiatives have been done by this Council with the sole intension to revive Colenso Area, however, efforts seem to be void. Planners therefore, proposed strategies which will serve as spatial interventions and responses to turn around the dying town based on scientific studies.

## WASTE MANAGEMENT – SOLID WASTE

### Overview

Solid waste is a local municipal function. The landfill site is licensed under a permit from the Dept. of Water Affairs & Forestry. Refuse removal services are provided in all urban areas, informal settlement as well in rural areas of Emnambithi/Ladysmith viz. Ladysmith, Ezakheni, Steadville, Colenso & Van Reenen.

### Description of the Activity:

Refuse is cleared from the residential areas on a weekly basis whereby the households take out their refuse (in bags only) on refuse removal days.

A bi-weekly refuse removal service is provided for all businesses on a daily service to certain categories of businesses e.g. food shops, hotels, factories.

20 Bulk (1,75) and 15 (30 cubic meters) refuse containers were manufactured during the financial year.



To improve our performance and reduce number of complaints, Council took over the function of collecting refuse at Ezakheni Township as it was previously outsourced to (five) private contractors since 1996.

During the 2009/10 financial year we were able to Convert three illegal dumping sites into mini recreational parks as part of our environmental awareness campaign. Two new refuse compactors worth more than R1, 5 million each were purchased for the Environmental Section as part of our asset replacement strategy. We were also encouraged by the procurement of four trucks and two vans in the Environmental Section and this has enhanced our supervisory role and we managed to increase our staff productivity. A new TLB and a Tipper Truck was purchased for the Environmental Section in order to clear illegal dumping sites and that brought a relief to the Parks and Gardens plant.

An amount of R1 500 000 was spent on Siyazenzela project during the 2009/10 and the project exceeded our original expectations. The project managed to register 192 beneficiaries that are coming from rural areas, informal settlements and townships. It should be noted that these beneficiaries are employed on a task-base where the community plays a major role in terms of supervision and the beneficiaries are only given payment- in-kind (food grocery that is worth R700 per month).

The Department managed to close its non-compliant Pieters and Colenso and Van Reenen dumping sites since all the waste that is collected is now disposed in one central landfill site situated at Accaciavale.

#### **Strategic Objectives of this function:**

The strategic objective of the refuse removal function is to provide an efficient, effective and economic service.

The key issue for 2009/2010 was the extension of refuse collection in areas that had never been serviced before especially in rural and informal areas. The second priority was to make sure that both Ezakheni and Steadville Townships are kept clean 24 hours a day and seven days a week.

#### **Number of households receiving regular refuse removal services and the frequency and costs of the service:**

Details	Number	Cost
Removed by Municipality at least once a week	34 000	
Communal refuse dump used	0	
Own refuse dump	1	
No rubbish disposal	0	

#### **Total and projected tonnage of all refuse disposed:**

Domestic/Commercial	36 000 tons
Garden	7 200 tons



#### Total Number, capacity and life expectancy of refuse disposal sites:

There is only one formal landfill site with a life expectancy of  $\pm 4$  years.

#### Free basic Service Provision

Quantity (number of household affected)	15 000
Quantum (value to each household)	R34.00

Key performance area	Key Performance indicator	Current	Target
To ensure that all households have access to a basic refuse removal service	No. of households receiving weekly refuse removal service	34 000	54 000

### 3. COMMUNITY PARKS AND GARDENING SERVICES

#### Overview

Located in the Department of Economic Development, this function consists of provision and maintenance of high quality service delivery to the global community of Emnambithi/Ladysmith in the areas of Sports facilities, Local amenities and Public spaces.

#### Description of the Activity:

A new Tipper Truck, 4 Tonner Truck and two vans for supervision were purchased for the Parks and Gardens Section. The section was fortunate to receive the first tranche of a small town rehabilitation grant which was intended to establish Wimpy Park to the tune of R1,7 mil and R4 mil for the beautification of the town entrances. Both projects were successfully implemented according to the grant funder's conditions.

The following services are provided:

#### Pound

Council managed to review the Pound By Law so as to meet the new KwaZulu Natal Pound Law requirements. The new pound at Mathews Farm was beefed up with a twenty four hour security and proper razor wire was installed. A bailing machine was purchased to provide animal feeds during the winter season and the private farmers managed to bring our 10% share for bailing in the municipal area. during the 2009/10 stray animals were collected and impounded, no break-in was reported during the period under review.

#### Cemeteries

200 Graves are dug and cleared of overgrowth. The new Ndomba cemetery was opened for the public during the 2009/10 financial year in order to accommodate Steadville, Tsakane and Ntombi's Camp communities. The consultant was appointed to develop Ezakheni Cemetery Plan and its immediate output was to identify two possible sites for the establishment of a new cemetery. Several meetings were held with Ingonyama Trust to determine whether they would be comfortable to transfer portion of their properties to Emnambithi Ladysmith Municipality for the purpose of establishing Ezakheni Cemetery.



Two new cemeteries were incorporated

into our jurisdiction and our council managed to service communities from Driefontein and Watersmeet. One request was received from the SAPS for the exhumation of a body at the Ladysmith Cemetery. The lifespan for Ezakheni and Ladysmith cemeteries is expected to be less than 24 months and new sites have to be established before the end of the 2010/11 financial period. The Department managed to comply with all the legislative requirements pertaining to the preparation, digging and maintenance of graves in all our cemeteries.

#### Swimming Pools

White road, Limit Hill and Aggra Swimming pools are maintained and cleaned. More than 3 000 visitors have made use of the swimming pools during the period under review. Permanent life-guards were appointed to take care of the municipal swimming pools and one life was lost at the White Road swimming pool due to the reasons that were beyond our control. The Aggra Swimming Pool was opened later due the leaking main pipe within the jurisdiction of UThukela District Municipality.

#### Weed killing and Tree felling

Number of invader trees were removed at Klip Bank and Black Rock Park and felling of indigent trees were done in Harrismith Road. More than a thousand trees were planted at Ezakheni A Section.

#### Sports fields

Grass was cut and prepared for sporting activities in most of our sporting facilities on the basis of normal bookings and request from councillors. Council took back the responsibility of managing the following sport fields: Settler's Park, Limit Hill, Steadville and Kandhar due to the fact their Lease Agreements had expired. Irrigation systems was installed at Kandahar ground and the razor fence was installed at Aggra Cricket Ground, Settlers Park, and Accaciavale. The renovations were conducted on the ablution facilities at Limit Hill Ground and Accaciavale Ground.

A second hand grader was transferred to the Parks Section for the preparation of gravel community grounds and more than 50 new grounds were established and 85 were upgraded for the first time in a three year period. Ten sets of Netball, fifty soccer goal posts and five seating stands were manufactured in-house.

Ezakheni soccer ground was extended to meet the Fifa requirements, and the Basket Ball and Tennis courts were constructed inside the soccer pitch. The Cricket Pitch was constructed at Ezakheni and it was installed with the irrigation system and a proper steel palisade fence.

#### Caravan Park

85 camping facilities provided are maintained.

#### Parks

Play parks were established in Steadville and Ezakheni and most of them were fitted with palisade securing fence, play equipments, grass and water connections. Problems were experienced with Uthukela District Municipality when it comes to the water connection points and it was difficult to plant grass where water points were not installed.



## Economic Development

This Section is responsible for the following functions and projects within the Department Economic Development and Planning:

- Industrial Promotions and Marketing
- Industrial Development and Publicity
- Organise oversee Trade Missions
- Cooperative Development
- Expansion of the Aloe and Berg Tea Project
- Commercialisation of Agricultural projects
- Awarding of Business Incentives
- Development of all LED Projects
- Training and Funding applications
- SMME Development

### Achievements / Performance

- Aloe and Berg Tea Project
  - Jobs Created - 18
  - We participated in 5 exhibitions to date where we network and made valuable Business-to-Business connections.
  - We advertised and appointed a marketing agent to market the products.
  - We received R89 000 as the third and final tranche from Gijima.
  - We appointed external auditors to audit this project.
  - The Trade Mark was registered.
  - Bottles, jars and labels, wax machine and shelving procured.
- Pecan Nut Pilot Project
  - Jobs Created - 16
  - Beneficiaries identified and mobilized.
  - We harvested the 5 ha of mealies, milled and bagged it into maize meal at Itando Milling and will supply the Siyazela Project.
  - 100 Prickly pears were planted.
  - 100 Pecan Nut trees were planted at 3 gardens.
- SMME's Cooperative and Community Development Support Programme
  - **Five Road Shows with relevant stakeholders.**
  - **Two workshops – Coops and SMME's and Funding gents**
  - 10 Coops to be registered
  - SMME Policy compiled, workshopped and adopted by Council.
  - Date base of all SMME's and Coops compiled.
  - Applied and obtained funding to the amount of R1,71 million from KZN DED & T and completed renovations to Municipal Buildings and Matthews Farm as SMME Trading Centres.
  - We commenced to allocate the units at the centres to SMME's.
  - Road shows and workshops were conducted in which a number of Government Departments as well as the private sector participated.
  - 30 Coops were registered with CIPRO.



- Consultation with Private Sector
  - Two (2) brainstorming sessions with the private sector took place and various interventions were identified and are being implemented.
  - Assistance was rendered to industrialists and Evertrade, GTP Concrete, Natal Pepper Company and Nzenga Logistic Hub relocated to Ladysmith.
  - Various meetings were conducted with Business Chambers, Taxi Ass, kklInformal traders, Unions, etc
- Skills Development Programme
  - Targeted Coops, SMME's and projects identified.
  - Applications were made to SEDA and 20 Coops were trained in the following:
    - Bookkeeping
    - 2010 Opportunities Workshop
    - Export Registration Requirement Workshop
- Agricultural Development (Community Gardens)
  - **Developed twenty (20) community gardens to supply government institutions.**
  - **30 Gardens were ploughed and issued with seed and seedlings.**
  - Community based project support programme is fully functional / operational.
  - Cemetery Road Nursery established and it is fully functional and is supplying all the local gardens with seedlings
  - 5ha of Sweet Chillies were established and contracts were signed and the Natal Pepper Company were supplied with chillies.
  - Roosboom Nursery was established
- Poultry Farming
  - Establish 10 Poultry Projects
  - 100 % of Poultry Projects are registered Coops
  - Materials such as metal sheeting, corrugated iron and timber secured.
  - 32 Poultry projects are sustainable.
  - The established projects are now purchasing chicks out of their profits.
- Research / Surveys / Feasibility Studies, Business Plans and Development Plans
  - Business Plans finalised and submitted to KZN DED & T and ESKOM Foundation
  - Messrs Nzenga Investments completed a feasibility study to establish a Logistic Hub in Ladysmith (Grant Funding of 60 % received from DBSA for this study) and they were also implemented.



- At Risk applications were made to the National Lottery Fund for the development of Sport Facilities and an amount of R1,28 million were received to establish an athletics track in Ezakheni – in progress
- A Business Plan was compiled for submission to ESKOM Foundation to establish an Agri Hub on Matthews Farm.
- Business Plans and proposals were submitted to the Department LG&TA for Grant Funding from the Small Town Rehabilitation Programme and funding of R2,2 million was received to design and construct informal stalls in the CBD area.
- Construction of Taxi Rank and Trader stalls in progress.
- The following Development Plans were completed and adopted by Council :  
LED Strategy, Manufacturing Strategy and Rural Strategy
- Industrial Promotions and Development (Marketing)
  - Advertised for submission of applications to ELM Incentive Scheme. Four applications for incentives were received but not awarded due to non-compliance.
  - We developed and printed our own promotions material in-house.
  - 5 (Five) Trade Shows were attended where we, apart from the Aloe and Berg Tea Project also brand and market our area.
  - We ordered promotional material such as shirts, caps, etc via Supply Chain – awaiting delivery of same.
  - Compiled our own advertising brochure in-house
- Industrial, Promotions and Marketing (Publicity)
  - Advertise in the following 4 Publications:
    - Brabys
    - National Newspaper
    - Brabys 2010 Directory
    - KZN Business 2009/2010 Edition
- Industrial Development (Business Retention and Expansion Programme)
  - 20 Factories and Businesses were visited as part of our BR&E Programme. The various Municipal Departments are attending to their concerns
  - We, with DTI, were instrumental in the establishment of Natal Sweet Chillie Factory in Ladysmith.



## DEPARTMENT: GOVERNANCE AND TRANSFORMATION

### SECTION: ADMINISTRATION

The Department is made up of the following elements and sections:

- Administration
- Legal Services
- Housing, Land and Real Estate
- Valuation
- Community Services (Library Services, Museum Services and Community Venues)

### SECTION: LEGAL SECTION

#### 1. EZAKHENI

LEGAL ACTION	NO. OF A/C	TOTAL AMOUNT
No. of accounts handed over	14432	R41,969,900.87
Final Demands Sent	3080	R10,326,562.71
Summons issued	1180	R3,350,351.18
Default Judgments	1101	R3,526,342.62
Warrant of Execution	1047	R3,919,310.51
Sale in Execution	234	R1,630,605.75
No. of accounts settled	Not available	
<b>Total Amount collected</b>		<b>R1,462,101.12</b>

#### 1. TOWN/COLENSO/STEADVILLE

<b>A. LEGAL ACTION</b>	<b>NO. OF A/C</b>	<b>TOTAL AMOUNT</b>
No. of accounts handed over	12095	R47,522,057.52
Final Demands Sent	2156	R10,921,668.33
Summons issued	896	R5,624,555.65
Default Judgments	439	R3,056,819.56
Warrant of Execution	459	R2,101,149.51
Sale in Execution	23	R69,459.34
No. of accounts settled	Not available	
<b>Total Amount collected</b>		<b>R2,622,413.76</b>

#### 2. VACANT LAND

<b>B. LEGAL ACTION</b>	<b>NO. OF A/C</b>	<b>TOTAL AMOUNT</b>
No. of accounts handed over	2187	R17,310,439.02
Final Demands Sent	1975	R16,449,221.05
Summons issued	296	R3,675,740.60
Default Judgments	159	R2,170,662.80
Warrant of Execution	105	R1,282,575.36
Sale in Execution	14	R223,812.75
No. of accounts settled	Not available	
<b>Total Amount collected</b>		<b>1,373,925.22</b>

**TOTAL CASH COLLECTED – R5,458,440.10**



## SECTION: VALUATIONS

Values of the respective categories of properties are as follows:

Residential 1	R4,346,518,000
Residential 2	R17,804,000
Industrial/Commercial/Business/Mining	R1,131,972,000
Agricultural	R 498.896,000
Public service infrastructure	R39.747,960
Vacant land	R167,767,845
Rural residential	R1,243,624,000
Game hunting/Eco-tourism	R119,755,000
Municipal domestic	R3,6605,000
State domestic	R457,889,000
Land reform beneficiaries	R26,285,000
Public benefit organizations	R70,707,000
Industrial estate	R133,310,000
Ingonyama Trust	R11,270,000
Municipal vacant land	R104,096,000
Public open space	R801,000
<b>Total</b>	<b>R85,212,456,805</b>

Subsequent to the compilation of the valuation roll property owners were duly informed of the market values and invited to lodge objections against valuations. A total of 551 objections were lodged which are to be attended to during July and August 2008.

## SECTION: REAL ESTATE & HOUSING

### A. PREAMBLE:

The Land and Housing Section is governed by the Executive Manager Mr RG Reddy. The primary function of this department is to ensure that the community has access to land and housing.

### B. ADMINISTRATIVE REPORT

#### 1. Land Disposal Policy

Section 14 of the MFMA required that a Land Disposal Policy be adopted by Council. This section was able to draft a policy which was approved by Council.

#### 2. Housing Allocation Policy

The Section drafted a policy in terms of current legislation which was approved by Support Services Portfolio committee and Exco



### 3. Emergency Housing Policy

The section finalized a draft of Emergency Housing Policy, which was approved by the Support Services Portfolio Committee, Exco and Council.

### 4. Municipal Housing Sector Plan

The Department of Housing made available R100 000.00 for the development of a Municipal Housing Sector Plan. Messrs Footprints Professionals were appointed as the service provider. The first draft plan has since been submitted to council for comments thereafter the final report will be submitted to council for approval.

### 5. Consumer Education

The section in response to the Provincial Department of Housing Capacity Building Programme conducted Housing Consumer Education Programmes as follows:

1. Ezakheni C
2. Ezakheni E
3. Colenso
4. Steadville
5. Pieters
6. St. Chads
7. Umbulwane

**Total No. of beneficiaries trained**

### 6. Social Housing

The section conducted a workshop on Social Housing for all Councillors and is currently drafting a policy in terms of the requirements of SALGA who is assisting the Department of Housing in this project.

### 7. Affordable Housing

In terms of creative Housing Development, the section has engaged with the National Department of Housing and is embarking on making land available for affordable housing, whereby the 4 major Banking Institutions would be able to undertake housing for the income earners of R 3501.00- R 7 500.00 per month, in terms of the Credit Linked Subsidy mechanism.

### 8. Housing Development

**Brief summary of Housing, Water, Sanitation and Tenure provided in this period**

Detail	Number	Value
Ezakheni B & C Sections	73	3 388 955.65
Ezakheni C Section	Completed	Completed
Limit Hill	Completed	Completed
St. Chads Urban	434	15 383 494.60
St. Chads Rural	39	1 241 253.60
Ntombi's Camp	Nil	Nil;
Steadville Area E	127	4 120 048.71



Roosboom Agri-village Phase 4	Completed	Completed
Diaman Flats	32	24 917.01
Colenso/Nkanyezi Hostel	60	53 923.55
Steadville Hostel	96	114 912.00
<b>Total</b>	<b>861</b>	<b>36 945 046.72</b>

## SECTION: COMMUNITY SERVICES

### Analysis of the Function:

Nature and extent of facilities provided:

Details	No. of facilities	No of users	No of Members	Total
Library services	5			
Museums	3			
Community Halls	11			

## DEPARTMENT: ELECTRICITY

### Analysis of the function

Number and cost to the employer of all personnel associated with Electricity Distribution:

Professional (Managerial/Specialist)	08
Office (Clerical/Administrative)	08
Field (Supervisors/Foremen)	02
Non-professional (outside workforce)	61
Temporary staff	117
Contract staff	03
<b>TOTAL</b>	<b>199</b>

Total quantity and cost of bulk electricity purchases in kilowatt-hours and rand, by category of consumer

Details	Total	R
Residential		
Commercial	261 901 152	R 88 247 288.21
Industrial		
Other		

Total quantity and receipts for Bulk electricity sales in kilowatt-hours and rand, by category of consumer

Residential-Credit-Conventional Meter	66 227 501	R42 418 714,39
Prepaid – Indigent		
Prepaid - Domestic	27 455 672	R 17 585 357.92
Prepaid Commercial		
Commercial	29 041 762	R20 988 481,39
Industrial (LT & HT Bulk)	120 945 075	
Temporary Supply	387	R 122 303.61
Other(Streetlights)	2 312 690	R 786 314.60
<b>Total</b>	<b>245 983 087</b>	



## Total year – to –date electricity losses in kilowatt-hours and rand

Losses	15 918 065
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Number of Households with electricity access, type & cost of service:

### Electrified Areas

Details	Total	Cost
Area J	57	R262 200
Community Gardens	20	R 92 000

### Anticipated expansion of electricity service

Details	Total	Cost
Steadville J	82	R 541 200
Steadville E	184	R 1 193 800
Thembalihle	42	R 302 400
Umbulawane A,B,C (Infills)	248	R 1 785 600
Colenso/Inkanyezi	500	R3 103 400
Shaymoya Phase 111	26	R 187 200
Area D –( extension)	50	R 230 000

### Free Basic Service Provision

Details	Quantity	Value
All households that uses 150kWh's or less over a period of six months qualify for FBE, automatically.	50 kWh / per indigent household	R3 630 300

### Type and Number of grants and subsidies received

Details	Value
DoE – (Department of Energy)	R 1 656 000
DoE grant for Energy Efficiency streetlights	R 4 000 000

13. Total operating cost of electricity distribution function	R 12 484 021.52
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## **DEPARTMENT: PUBLIC SAFETY**

### **OVERVIEW:**

Protection Services and Licensing is responsible for the following functions:

Road Safety  
Crime prevention and Security  
Fire Protection  
Disaster Management  
Licensing of Drivers and vehicles.

### **Description of the Activity**

The department provide the following services:

#### **1. ROAD SAFETY**

Law Enforcement  
Technical Section  
The technical staff are responsible for the maintenance of traffic signs, road markings and traffic signals.  
Administration

The duties of Clerk of the Court are performed by the department and include; receiving all admissions of guilt, compilation of the court roll and reconciliation of all notices issued to traffic offenders.

#### **2. FIRE PROTECTION**

This function includes fire inspections at all industries, shops and warehouses and the combating of fires and rescue services.

#### **3. DISASTER MANAGEMENT**

The compilation of a Disaster management plan and the execution thereof to mitigate the effects of a disaster. This section also deals with the Qedusizi Dam and internal security.

#### **4. LICENSING**

This function consists of testing of candidates for learners and drivers Licenses to determine their proficiency, the issuance of the same and also the registration and licensing of motor vehicles.



# REGISTRATION AND LICENSING VEHICLES

	JUNE 2010
TOTAL RECEIPTS	7 840
Summary of receipts issued	
a. Initial registration	196
b. Re-registration	437
c. Licence renewals	2 796
d. Special permits	16
e. Scrapings	46
f. Adjustments	664
g. Duplicate receipts	20
h. Search fees	0
i. Motor trades	1
j. Temporary permits	64
k. Retaining of registration numbers	3
l. Others	3 597

TOTAL RECEIPTS	
Summary of receipts issued	
a. Application for learners licences	
b. Number of learners licences issued	
c. Application for drivers licences	
i) Codes EC, EC1, C, C1	
ii) Codes B, EB	
iii) Codes A1, A	
d. Number of drivers licences issued	
e. Application for instructors	
f. Issue of instructors certificates	
g. Application for PrDP	
h. PrDP's issued	
i. Learners licence books	
j. Admin fees	
k. Temp drivers licence	
l. Search fees	
m. Duplicates issued	
n. Others	



#### RIVERS LICENCES

		JUNE 2009	JUNE 2010
	APPLICANTS TESTED	333	441
a.	Passed	129	137
b.	Failed	204	304
c.	Did not report for test	46	41

#### LEARNERS LICENCES

	APPLICANTS TESTED		
a.	Passed		
b.	Failed		
c.	Did not report for test		

#### LICENSING INCOME

	JUNE 2009	JUNE 2010
TOTAL transactions done	18 482	21 086
Total income	513 442	643 286
COUNCIL income to date	4 578 439	6 339 019
Paid over to Prodiba	28 365	32 503
Paid over to Province	2 144 807	2 218 109
Paid over to RTMC	73 890	89 532



# REGISTRATION AND LICENSING OF VEHICLES

	2007/2008	2008/2009	2009/2010
<b>TOTAL RECEIPTS</b>	<b>68 113</b>	<b>89 051</b>	<b>88 443</b>
Summary of receipts issued			
a. Initial registration	2 353	1 008	1 700
b. Re-registration	7 616	7 186	4 317
c. Licence renewals	26 125	32 030	21 157
d. Special permits	147	155	138
e. Scrapings	147	348	374
f. Adjustments	237	10 463	14 479
g. Duplicate receipts	3 347	538	314
h. Search fees	368	0	0
i. Motor trades	0	25	69
j. Temporary permits	93	1 946	694
k. Retaining of registration numbers	1 073	155	129
l. Others	110	46 014	40 174
	26 644		



MISCELLANEOUS TRANSACTIONS		2007/2008	2008/2009	2009/2010
TOTAL RECEIPTS		107 577	115 639	139 240
Summary of receipts issued				
a.	Application for learners licences	8 025	7 038	6 162
b.	Number of learners licences	3 922	2 266	3 420
c.	Issued	3 779	3 882	8 423
Application for drivers licences				
	i) Codes EC, EC1, C, C1			
d.	ii) Codes B, EB	777	825	585
e.	iii) Codes A1, A	502	60	44
f.	Number of drivers licences issued	7 963	8 167	8 683
g.	Application for instructors	8	13	26
h.	Issue of instructors certificates	6	6	12
i.	Application for PrDP	2 294	2 581	2 924
j.	PrDP's issued	2 077	1 520	2 665
k.	Learners licence books	0	0	0
l.	Admin fee	1 841	846	610
m.	Temp drivers licence	3 427	3 192	3 738
n.	Search fees	0	0	0
	Duplicates issued	296	231	158
	Others	72 660	92 910	107 341

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#### DRIVERS LICENCES

		2007/2008	2008/2009	2
	APPLICANTS TESTED	3 690	3 347	
a.	Passed	1 340	953	
b.	Failed	2 350	2 395	
c.	Did not report for test	559	547	

#### LEARNERS LICENCES

		2007/2008	2008/2009	2
	APPLICANTS TESTED	7 708	4 628	
a.	Passed	3 865	2 029	
b.	Failed	3 843	2 599	
c.	Did not report for test	1 273	865	



# LICENSING INCOME

TOTAL transactions done						2007/2008	2008/2009	
						175 690	220 588	
Total income						4 993 651	5 064 291	
COUNCIL income to date						4 993 651	5 064 291	
Paid over to Prodiba						364 324	1 497 700	
Paid over to Province						18 863 734	23 690 600	
Paid over to RTMC						805 130	864 030	
Month	Buildings	Vehicle	Grass	Other	Special Services	Est. Damage	A	
July 2009	2	0	52	9	0	R 290 000	R 1 696,00	
August 2009	9	0	10	8	0	R 70 000	R 4 500,00	
September 2009	4	5	12	3	0	R1,5 MIL	R 17 251,00	
October 2009	9	1	2	2	0	R 535 000	R 3 452,00	
November 2009	3	0	2	1	0	R 500 000	R 2 395,00	
December 2009	1	0	0	0	0	R 100 000	R 4 235,00	
January 2010	1	1	0	0	0	R 90 000	R 17 174,00	
February 2010	4	2	2	2	2	R 100 000	R 3 698,00	
March 2010	2	1	21	12	0	R 100 000	R 4 064,00	
April 2010	3	1	1	5	0	R 100 000	R 4 758,00	
May 2010	3	2	18	4	0	R 435 000	R 10 523,00	
June 2010	8	0	66	14	0	R 2,6MIL	R 19 723,00	
TOTAL	49	13	186	60	2	R 598 500	R 93 472,00	



SERVICES RENDERED BY FIRE DEPARTMENT: JULY 2009 TO JUNE 2010

SECTION: TRAFFIC DEPARTMENT

1. COLLISION STATISTICS

1.1 LADYSMITH

	JUNE 2009	ESTIMATE COST	JUNE 2010	
Number of Collisions	1166		1199	
Fatal	11	R 4'302'397	2	
Serious	9	R 955'350	4	
Minor	93	R 3'235'842	16	
Damage Only	1053	R 11'082'825	1177	
Pedestrians	69		18	
Pedal cyclists	6		1	
Motorcycles	1		1	
Two or more vehicles	897		727	
Single motor vehicle	177		450	
Others	16		2	



## 1.2 STEADVILLE

	JUNE 2009	ESTIMATED COSTS	JUNE 2010
Number of Collisions	41		62
Fatal	1	R 391'127	0
Serious	2	R 212'300	0
Minor	11	R 382'734	2
Damage Only	27	R 284'175	60
Pedestrians	10		2
Pedal cyclists	2		0
Motorcycles	0		1
Two or more vehicles	21		29
Single motor vehicle	8		29
Others	0		1

## 1.3 EZAKHENI

	JUNE 2009	ESTIMATED COST	JUNE 2010
Number of Collisions	223		192
		<b>Severity of Collisions</b>	
Fatal	8	R 3'129'016	5
Serious	8	R 849'200	7
Minor	10	R 105'250	5
Damage Only	175		175
		<b>Types of Collisions</b>	
Pedestrians	18		10
Pedal cyclists	1		0
Motorcycles	0		0
Two or more vehicles	110		70
Single motor vehicle	67		107
Others	26		5



#### 1.4 DRIEFONTEIN

	JUNE 2009	ESTIMATED COST	JUNE 2010	ESTIMATED COSTS
Number of Collisions	15		23	
<b>Severity of Collisions</b>				
Fatal	0		0	
Serious	0		1	R 106'150
Minor	5	R 173'190	1	R 34'794
Damage Only	10	R 105'120	21	R 221'025
<b>Types of Collisions</b>				
Pedestrians	2		1	
Pedal cyclists	0		0	
Motorcycles	0		0	
Two or more vehicles	6		9	
Single motor vehicle	4		12	
Others	3		1	

#### 1.5 N11

	JUNE 2009	ESTIMATED COST	JUNE 2010	ESTIMATED COSTS
Number of Collisions	128		149	
<b>Severity of Collisions</b>				
Fatal	3	R 1'173'381	2	R 782'254
Serious	2	R 212'300	0	
Minor	20	R 695'880	2	R 691'588
Damage Only	128	R 1'347'200	145	R 1'526'125
<b>Types of Collisions</b>				
Pedestrians	4		0	
Pedal cyclists	1		0	
Motorcycles	1		0	
Two or more vehicles	104		78	
Single motor vehicle	31		71	
Others	12		0	

#### 1.6 R103

	JUNE 2009	ESTIMATED COST	JUNE 2010	ESTIMATED COSTS
Number of Collisions	116		100	
<b>Severity of Collisions</b>				
Fatal	5	R 1'955'635	0	
Serious	4	R 424'600	1	R 106'150
Minor	22	R 765'468	1	R 34'794
Damage Only	85	R 894'625	98	R 1'031'450
<b>Types of Collisions</b>				
Pedestrians	4		1	
Pedal cyclists	0		0	
Motorcycles	0		0	
Two or more vehicles	50		30	
Single motor vehicle	41		66	
Others	21		3	



1.7 N3

	JUNE 2009	ESTIMATED COST	JUNE 2010	ESTIMATED COSTS
Number of Collisions	55		113	
<b>Severity of Collisions</b>				
Fatal	1	R 391'127	1	R 391'127
Serious	4	R 424'600	1	R 106'150
Minor	21	R 730'674	3	R 104'382
Damage Only	29	R 305'225	108	R 1'136'700
<b>Types of Collisions</b>				
Pedestrians	1		1	
Pedal cyclists	0		0	
Motorcycles	0		0	
Two or more vehicles	28		46	
Single motor vehicle	26		65	
Others	0		1	

#### SECTION: ROAD SAFETY

##### 1. SCHOLAR PATROL

21 Schools had received road safety lectures.

##### 2. TECHNICAL SECTION

###### 2.1 Signage erected within Emnambithi/Ladysmith

2009	2010
114	439

###### 2.2 Road marking in within Emnambithi/Ladysmith

2009	2010
168km	279km

##### 2. SPEED CONTROL

Speed km/h	45 km/h	60 km/h	80 km/h	100 km/h	120 km/h
60 – 69	15				
70 – 79	15	1 583			
80 – 89	2	911			
90 – 99		288	172		
100 – 109		96	181		
110 – 119		14	72		
120 – 129			22		
130 – 139			10		
140 – 149			2		
150 – 159			1		
160					
TOTAL	32	2 892	460		



## **CHAPTER : 06**

# **ANNUAL PERFORMANCE REPORT**



## **ANNEXURE : A**

# **AUDITED FINANCIAL STATEMENTS**



## **ANNEXURE : B**

# **AUDIT COMMITTEE REPORT**



# **PERFORMANCE AUDIT COMMITTEE REPORT**